

BINGHAM, DANA & GOULD

150 FEDERAL STREET

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18378

AUG 30 1993 - 11 55 AM

WASHINGTON OFFICE
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HARTFORD OFFICE
(203) 244-3770

INTERSTATE COMMERCE COMMISSION BOSTON OFFICE
011-44-71-799-2648

3-242A046

August 30, 1993

BY MESSENGER

Interstate Commerce Commission
Room 2303
12 Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Ms. Mildred Lee

Ladies and Gentlemen:

Enclosed for recording with the Commission pursuant to Section 11303 of Title 49 of the U.S. Code are two original fully executed, notarized documents described below.

This document is a Security Agreement, a primary document dated as of August 27, 1993, by and between Fox Valley & Western Ltd. (the "Debtor") and The First National Bank of Boston, as agent, as the secured party (the "Secured Party"), covering the Debtor's rolling stock now owned or hereafter acquired and certain other properties and rights of the Debtor. Descriptions of the rolling stock are attached to the Security Agreement as Schedule 1, as the same may be revised from time to time, but the property covered by the Security Agreement is not limited to that listed in Schedule 1.

The names and addresses of the parties to the Security Agreement are as follows: the Debtor is Fox Valley & Western Ltd., whose executive office is located at One O'Hare Center, 6250 North River Road, Suite 9000, Rosemont, Illinois 60018, and the Secured Party is The First National Bank of Boston, whose head office is located at 100 Federal Street, Boston, Massachusetts 02110.

BOS-BUS:5615.2

AUG 30 11 49 AM '93
MOTOR OPERATING UNIT

Countersigned - Sean M. [Signature]

BINGHAM, DANA & GOULD

Ms. Mildred Lee
Interstate Commerce Commission
August ___, 1993
Page 2

Included in the property covered by the aforesaid Security Agreement are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned and leased by each Debtor at the date of said Security Agreement or thereafter acquired by the Debtor or its successors as owners of the lines of railway covered by the Security Agreement.

A short summary of the document to appear in the index is as follows:

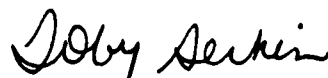
"A Security Agreement, dated as of August 27, 1993, by and between Fox Valley & Western Ltd. as the debtor and The First National Bank of Boston, as the secured party, covering the debtor's rolling stock and certain other properties and rights of the debtor in each case whether now owned or hereafter acquired. Descriptions of the rolling stock are attached to the Security Agreement as Schedule 1."

Also enclosed is a check in the amount of \$16.00, payable to the Interstate Commerce Commission, to cover the recording fee prescribed by the Commission in its rules and regulations.

Please acknowledge receipt of the enclosed documents at your earliest convenience by stamping and returning to the undersigned the enclosed copy of this letter together with the Security Agreement as filed.

If you have any questions with respect to the enclosed documents, please call the undersigned collect at (617) 951-8000.

Sincerely,



Toby R. Serkin

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

8/30/93

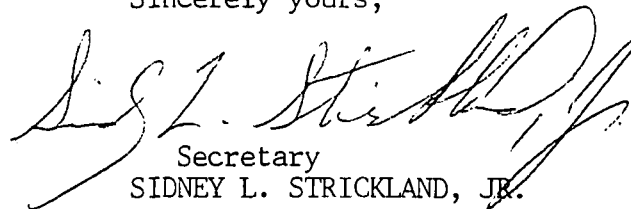
OFFICE OF THE SECRETARY

Toby R. Serkin
Bingham Dana & Gould
150 Federal Street
Boston, MA. 02110-1726

Dear **Sir**:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **8/30/93** at **1:55am**, and assigned recordation number(s). **18378**

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

211/10

18378
AUG 30 1993 11 55 AM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

FOX VALLEY & WESTERN LTD.

This SECURITY AGREEMENT dated as of August 27, 1993, is by and among Fox Valley & Western Ltd. (the "Borrower") and The First National Bank of Boston, as agent (the "Agent") for the benefit of itself and those lenders (the "Banks") which are or may become parties to that certain Revolving Credit Agreement, dated as of August 27, 1993, among the Borrower, the Agent and the Banks, as the same may be amended, restated, modified or supplemented from time to time (such agreement, as in effect from time to time, the "Credit Agreement"). Capitalized terms which are used herein without definition and which are defined in the Credit Agreement shall have the same meanings herein as in the Credit Agreement.

§1. GRANT OF SECURITY INTEREST. To secure the due and prompt payment and performance by the Borrower of the Obligations (as defined below), the Borrower hereby pledges, assigns and grants to the Agent, for the benefit of the Banks, a continuing security interest in and lien on all properties (other than real properties but including fixtures thereon), assets and rights of the Borrower of every kind and nature, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof, including, without limitation, all goods, accounts, including all accounts receivable, contract rights, all rights of the Borrower under the Acquisition Documents, all rights of the Borrower under all trackage rights agreements, joint facility agreements, interchange agreements and other operating agreements, all rights of the Borrower under any agreements with operating railroads pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, rights to the payment of money including tax refund claims, insurance proceeds and tort claims, chattel paper, documents, instruments, general intangibles, the Borrower's operating certificate from the Interstate Commerce Commission, securities, together with all income therefrom, increases thereunder and proceeds thereof, patents, trademarks, tradenames, copyrights, engineering drawings, service marks, customer lists, books and records, furniture, fixtures, including rail and ties, motor vehicles of every kind and description, and all related equipment, parts and accessories with respect thereto (including, without limitation, tires and parts, whether now owned or hereafter acquired), and all substitutions and replacements, rolling stock of every kind and description, including, without limitation, the rolling stock described on Schedule 1 attached

hereto, locomotives, rail, ties and capital improvements thereon, equipment, maintenance of way equipment, including, without limitation, the maintenance of way equipment described on Schedule 2 attached hereto, inventory and all other capital assets, raw materials, and work in progress (all such properties, assets and rights hereinafter sometimes called, collectively, the "Collateral").

§2. OBLIGATIONS SECURED. The Collateral hereunder constitutes and will constitute continuing security for all of the indebtedness, obligations and liabilities of the Borrower to the Banks and any institutional lender who becomes a participant in or holder of any of the obligations comprising the Obligations (as defined below) under the Credit Agreement, the Notes and the other Loan Documents and any documents evidencing interest rate protection arrangements among the Borrower and The First National Bank of Boston, in each case as such instrument is originally executed on the date hereof or as modified, amended, restated, supplemented or extended hereafter, whether such obligations are now existing or hereafter arising, joint or several, direct or indirect, absolute or contingent, due or to become due, matured or unmatured, liquidated or unliquidated, arising by contract, operation of law or otherwise, and all obligations of the Borrower to the Banks arising out of any extension, refinancing or refunding of any of the foregoing obligations (collectively, the "Obligations").

§3. PRO RATA SECURITY; APPLICATION OF PROCEEDS OF COLLATERAL. All amounts owing with respect to the Obligations shall be secured pro rata by the Collateral without distinction as to whether some Obligations are then due and payable and other Obligations are not then due and payable. Upon any realization upon the Collateral by the Agent or any Bank, whether by receipt of insurance proceeds pursuant to §4(g) or upon foreclosure and sale of all or part of the Collateral pursuant to §8 or otherwise, the Borrower agrees that the proceeds thereof shall be applied (i) first, to the payment of expenses incurred with respect to maintenance and protection of the Collateral pursuant to §4 and of expenses incurred pursuant to §12 with respect to the sale of or realization upon any of the Collateral or the perfection, enforcement or protection of the rights of the Agent and the Banks (including reasonable attorneys' fees and expenses of every kind, including, without limitation, reasonable allocated costs of staff counsel), (ii) second, to all amounts of interest, expenses and fees outstanding which constitute the Obligations; (iii) third, to all amounts of principal outstanding under the Obligations; (iv) fourth, any proceeds remaining after the repayment of all of the Obligations to be paid over to the Borrower or such other person or persons as may be entitled thereto. The Borrower shall remain liable for any deficiency remaining unpaid after the application of proceeds in accordance with the foregoing provisions. The Borrower agrees that all amounts received with respect to any of the Obligations, whether by realization on the Collateral or otherwise, shall be applied to the payment of the Obligations in accordance with the provisions of this §3.

§4. REPRESENTATIONS AND COVENANTS OF THE BORROWER.

(a) Rolling Stock. The Borrower represents to the Agent, for the benefit of the Banks, that the Rolling Stock (as defined in this §4(a)) listed on Schedule 1 hereto constitutes all of the Rolling Stock, including markings thereon and AAR car numbers thereof, which the Borrower owns or leases (other than pursuant to any lease for a term of six months or less). The Borrower agrees not to change any markings or AAR car numbers on any of the Rolling Stock listed on Schedule 1 until after the Borrower has given notice in writing to the Agent of its intention to make such change. The Borrower agrees to notify the Agent of any other Rolling Stock which it may hereafter acquire or lease (other than by any lease for a term of six months or less). The Borrower agrees that it will execute and deliver to the Agent supplemental security agreements and other instruments, as referred to in paragraph (n) below of this §4, and file the same in the appropriate recording offices (i) with respect to the Rolling Stock listed on Schedule 1 hereto, (ii) at such times as any assignable right, title or interest is acquired in the future by the Borrower in any other Rolling Stock and (iii) at such times as any change is made in one or more of the markings or AAR car numbers on any of the Rolling Stock listed on Schedule 1 hereto or on any other Rolling Stock owned or leased by the Borrower. All such supplemental security agreements and other instruments shall secure all of the Obligations pro rata and shall be on terms and conditions satisfactory to the Agent as evidenced by its written consent thereto. The term "Rolling Stock" as used herein means all rolling stock of every kind and description, locomotives and all other rail cars.

(b) Motor Vehicles. The Borrower covenants with the Agent that, upon the occurrence and during the continuance of an Event of Default, upon the written request of the Agent (i) the Borrower shall deliver to the Agent all such information and documents, including, without limitation certificates of title, as the Agent may reasonably request with respect to the Collateral comprised of motor vehicles and (ii) the Borrower shall execute and deliver to the Agent, at the Agent's request, all documents and instruments, including, without limitation, applications for certificates of title, and shall take all actions as the Agent may reasonably deem necessary or proper to perfect its security interest in the Collateral comprised of motor vehicles.

(c) Patents, Trademarks, Copyrights. The Borrower represents to the Agent, for the benefit of the Banks, that as of the date hereof, except as set forth on Schedule 3 attached hereto, it has no right, title or interest in any patent, trademark registrations, copyright registrations or service mark registrations, or in any pending applications for the same and agrees promptly to furnish to the Agent written notice of each such patent, trademark, copyright or service mark registrations, or any applications for same, in which it may hereafter acquire any right, title or interest. The Borrower shall, on request by the Agent, execute, acknowledge and deliver all such documents and instruments as the Agent may

reasonably require to confirm the Agent's security interest in and to any such patent, trademark or service mark registrations, or application for the same as part of such Collateral hereunder and appoints the Agent as the Borrower's attorney-in-fact to execute and file the same.

(d) Location of Chief Executive Office; Tax Identification Number. The Borrower represents and warrants to the Agent, for the benefit of the Banks, that the location of its chief executive office and the location where its books and records are kept is One O'Hare Center, 6250 North River Road, Suite 9000, Rosemont, Illinois 60018. The Borrower's federal tax identification number is 36-3809197. The Borrower further represents that Schedule 4 attached hereto is a true and correct list of all localities where property (other than mobile goods) comprising a part of the Collateral is located. The Borrower agrees that it will not change its federal tax identification number or the location of its chief executive office or the location where its books and records are kept, except as permitted by Section 6.12 of the Credit Agreement.

(e) Ownership of Collateral.

(i) The Borrower represents that it is the owner of the Collateral free from any Lien, except for Permitted Liens.

(ii) Except for the security interests herein granted and except for Permitted Liens, the Borrower shall be the owner of the Collateral free of any Lien, the Borrower shall defend the same against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the Agent. Except for Permitted Liens, the Borrower shall not pledge, mortgage or create or suffer to exist a security interest in the Collateral in favor of any person other than the Agent.

(f) Sale or Disposition of Collateral. Except as permitted by Section 6.05 of the Credit Agreement, the Borrower will not sell or offer to sell or otherwise transfer the Collateral, any portion thereof, or any interest therein except for sales of inventory in the ordinary course of business.

(g) Insurance. The Borrower shall have and maintain at all times with respect to the Collateral such insurance as is required by the Credit Agreement. In the event of failure to provide and maintain insurance as provided in the Credit Agreement, the Agent may, at its option, act as attorney for the Borrower in obtaining such insurance, and the Borrower hereby promises to pay to the Agent on demand the amount of any disbursements made by the Agent for such purpose. The Agent may act as attorney for the Borrower in cancelling any such insurance obtained by the Agent in accordance with the terms hereof, endorsing any drafts, and, after the occurrence and during the continuance of an Event of Default under

§9.01(a) of the Credit Agreement, adjusting or settling any insurance claims of the Borrower. Any amounts collected or received under any such policies shall be applied by the Agent to the Obligations in accordance with the provisions of §3, or at the option of the Agent, the same may be released to the Borrower, but such application or release shall not cure or waive any default hereunder and no amount so released shall be deemed a payment on any Obligation secured hereby.

(h) Maintenance of Collateral. The Borrower will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon. Except as otherwise provided in the Credit Agreement, the Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement. In its discretion, the Agent may discharge taxes and other encumbrances at any time levied or placed on the Collateral which remain unpaid in violation of the Credit Agreement, make repairs thereof and pay any necessary filing fees. The Borrower agrees to reimburse the Agent on demand for any and all expenditures so made, and until paid, the amount thereof shall be a debt secured by the Collateral. The Agent shall have no obligation to the Borrower to make any such expenditures, nor shall the making thereof relieve the Borrower of any default.

(i) Creation and Perfection of Lien. The Borrower represents and warrants to the Agent, for the benefit of the Banks, and covenants with the Agent that this Agreement creates a valid security interest in the Collateral as security for the payment and performance of the Obligations. Upon (i) the filing and recording of this Agreement with the Interstate Commerce Commission (the "ICC") in accordance with §11303 of Title 49 of the United States Code and the rules and regulations thereunder, and (ii) the filing of UCC-1 financing statements in the form attached hereto as Exhibit A (the "Financing Statements") under the Uniform Commercial Code as the same may be in effect from time to time in the States of Wisconsin and Illinois (the "UCC"), naming the Borrower as debtor and the Agent as secured party, all filings, assignments, pledges and deposits of documents or instruments will have been made and all other actions will have been taken that are necessary or advisable, under applicable law, to establish and perfect the Agent's security interest in such of the Collateral as to which a security interest may be perfected by filing under the UCC or the Interstate Commerce Act of 1887, as amended (the "ICA"), and such security interest shall remain prior to all other Liens, except as contemplated by the Credit Agreement. No further filings, recordings or other actions are or will be necessary to maintain the priority of such security interest other than the filing of UCC continuation statements within six months prior to the expiration of a period of five years after the original filing. The Collateral and the Agent's rights with respect to the Collateral are not subject to any setoff, claims, withholdings or other defenses.

(j) No Further Actions. Except for the filings referred to in paragraph (i) above, no authorization, approval or other action by, and no notice of filing with, any governmental authority or regulatory body or other Person that has not been received, taken or made is required (i) for the grant by the Borrower of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Borrower, (ii) for the perfection and maintenance of the security interest hereunder (with such exceptions as are contemplated by paragraph (i) of this §4) (including the first priority nature of such security interest), or (iii) for the exercise by the Agent of the rights or the remedies in respect of the Collateral pursuant to this Agreement.

(k) Accounts Receivable. The Borrower shall keep or cause to be kept separate records of accounts receivable which are complete and accurate in all material respects, and from time to time, after the occurrence and during the continuance of an Event of Default, upon the request of the Agent, shall deliver to the Agent a list of the names, addresses, face value, and dates of invoices for each debtor obligated on such accounts receivable.

(l) Government Contracts. The Borrower agrees that it shall execute all such documents, and take all such actions, as the Agent shall determine to be necessary or appropriate from time to time under the federal Assignment of Claims Act of 1940, as amended, in order to confirm and assure to the Agent its rights under this Agreement with respect to any and all Collateral consisting of the Borrower's rights to monies due or to become due under any contracts or agreements with or orders from the United States government or any agency or department thereof, the assignment of which is not prohibited by such contract or agreement (collectively, "Government Receivables"). Without limiting the generality of the foregoing, the Borrower agrees that simultaneously with the execution and delivery of this Agreement it shall execute and deliver to the Agent a confirmatory assignment substantially in the form of Exhibit B attached hereto (a "Confirmatory Assignment") with respect to each Government Receivable existing on the date hereof where the aggregate proceeds payable to the Borrower thereunder exceed \$5,000,000, and within ten Business Days after the creation of any such new Government Receivable, the Borrower shall execute and deliver to the Agent a Confirmatory Assignment with respect thereto. The Borrower hereby irrevocably authorizes the Agent, or its designee, at the Borrower's expense, to file with the United States government (or the appropriate agency or instrumentality thereof) a notice of each assignment of a Government Receivable substantially in the form of Exhibit C attached hereto (a "Notice of Assignment"), to which a copy of the relevant Confirmatory Assignment may be attached, and appoints the Agent as the Borrower's attorney-in-fact to execute and file any such Confirmatory Assignments, Notices of Assignment and any ancillary documents relating thereto.

(m) Securities. The Borrower agrees that it shall forthwith deliver and pledge to the Agent hereunder all certificates representing securities which it shall acquire, whether by

purchase, stock dividend, distribution of capital or otherwise, together with stock powers or other appropriate instruments of assignment with respect thereto, duly executed in blank.

(n) Further Assurances By the Borrower. The Borrower agrees to execute and deliver to the Agent from time to time at its request all documents and instruments, including financing statements, supplemental security agreements, notices of assignments under the United States Assignment of Claims Act and under similar or local statutes and regulations, and to take all action as the Agent may reasonably deem necessary or proper to perfect or otherwise protect the security interest and lien created hereby.

§5. POWER OF ATTORNEY. (a) The Borrower acknowledges the Agent's right, to the extent permitted by applicable law, singly to execute and file financing or continuation statements and similar notices required by applicable law, and amendments thereto, concerning the Collateral without execution by the Borrower. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(b) The Borrower hereby irrevocably appoints the Agent as the Borrower's attorney-in-fact, effective at all times subsequent to the occurrence of an Event of Default (as defined herein), and during the continuance thereof, with full authority in the place and stead of the Borrower and in the name of the Borrower or otherwise, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purpose of this Agreement, including, without limitation, the power and right (i) to endorse the Borrower's name on any checks, notes, acceptances, money orders, drafts, filings or other forms of payment or security that may come into the Agent's possession, and (ii) to do all other things which the Agent then determines to be necessary to carry out the terms of this Agreement. The Borrower ratifies and approves all acts of such attorney-in-fact. The power conferred on the Agent hereunder is solely to protect the Agent's interests in the Collateral and shall not impose any duty upon the Agent to exercise such power.

§6. SECURITIES AS COLLATERAL. (a) Upon the occurrence and during the continuance of an Event of Default, the Agent may and, at the written instruction of the Majority Banks, the Agent shall, at any time, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. If the Agent so elects or is directed by the Majority Banks to exercise its right herein and gives notice of such election to the Borrower, upon the occurrence and during the continuance of an Event of Default to the extent permitted under applicable law, the Agent may vote any or all of the securities constituting Collateral possessing voting rights (whether or not the same shall have been transferred into its name or the name of its nominee or nominees) and give all consents, waivers and ratifications in

respect of the securities constituting Collateral and otherwise act with respect thereto as though it were the outright owner thereof, the Borrower hereby irrevocably constituting and appointing the Agent the proxy and attorney-in-fact of the Borrower, with full power of substitution, to do so. So long as no Event of Default is continuing, the Borrower shall be entitled to receive all cash dividends paid in respect of the securities of which the Borrower is the registered owner, to vote such securities and to give consents, waivers and ratifications in respect of such securities, provided that no vote shall be cast, or consent, waiver or ratification given or action taken which would be inconsistent with or violate any provisions of any of the Loan Documents or this Agreement.

(b) Any sums paid upon or with respect to any of the securities upon the liquidation or dissolution of the issuer thereof shall be paid over to the Agent to be held by it as security for the Obligations; and in case any distribution of capital shall be made on or in respect of any of the securities or any property shall be distributed upon or with respect to any of the securities pursuant to the recapitalization or reclassification of the capital of the issuer thereof or pursuant to the reorganization thereof, the property so distributed shall be delivered to the Agent to be held by it as security for the Obligations. All sums of money and property paid or distributed in respect of the securities upon such a liquidation, dissolution, recapitalization or reclassification which are received by the Borrower shall, until paid or delivered to the Agent, be held in trust for the Agent as security for the Obligations.

§7. ACCOUNTS RECEIVABLE. Upon the occurrence of an Event of Default, the Agent may request that debtors on accounts receivable of the Borrower or obligors on accounts, chattel paper or general intangibles of the Borrower or obligors on instruments for which the Borrower is an obligee or lessees or conditional vendees under agreements governing the leasing or selling by conditional sale of Collateral by the Borrower be notified of the Agent's security interest. Until the Agent requests such a notification, the Borrower shall continue to collect payment thereof. Upon the making of such a request by the Agent, the Borrower shall hold the proceeds received from collection as trustee for the Agent and shall turn the same over to the Agent, or to such other bank as may be approved by the Agent, immediately upon receipt in the identical form received. Upon the occurrence and during the continuance of an Event of Default, the Borrower shall, at the request of the Agent, notify such account debtors and obligors that payment thereof is to be made directly to the Agent, and the Agent may itself at any time, without notice to or demand upon the Borrower, so notify such account debtors and obligors. The making of such a request or the giving of any such notification shall not affect the duties of the Borrower described above with respect to proceeds of collection of accounts receivable received by the Borrower. The Agent shall apply the proceeds of such collection received by the Agent to the Obligations in accordance with §3 of this Agreement. The application of the proceeds of such collection shall be conditional upon final payment in cash or solvent credits of the items giving rise to

them. If any item is not so paid, the Agent in its discretion, whether or not the item is returned, may either reverse any credit given for the item or charge it to any deposit account maintained by the Borrower with the Agent.

§8. EVENTS OF DEFAULT; REMEDIES.

(a) An "Event of Default" hereunder shall mean (i) that a representation, warranty or certification made in this Agreement or in any document executed or delivered from time to time relating to this Agreement is materially untrue, misleading or incomplete in its recital of any facts at the time as of which such representation, warranty or certification, as the case may be, is made or (ii) any Event of Default as that term is defined in any of the Loan Documents, whether or not any acceleration of the maturity of the amounts due in respect of any of the Obligations shall have occurred.

(b) Upon the occurrence and during the continuance of an Event of Default, whether or not the Obligations are due, the Agent may demand, sue for, collect, or make any settlement or compromise it deems desirable with respect to the Collateral and to the fullest extent permitted by applicable law, in addition to the remedies set forth elsewhere in this Agreement:

(i) The Agent shall have, in addition to all other rights and remedies given it by any instrument or other agreement evidencing, or executed and delivered in connection with, any of the Obligations and otherwise allowed by law, the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Collateral may be located and the rights and remedies of a secured party holding a security interest in collateral pursuant to the ICA, and without limiting the generality of the foregoing, the Agent may immediately, without (to the fullest extent permitted by law) demand of performance or advertisement or notice of intention to sell or of time or place of sale or of redemption or other notice or demand whatsoever, (except that the Agent shall give to the Borrower at least ten days' notice of the time and place of any proposed sale or other disposition), all of which are hereby expressly waived to the fullest extent permitted by law, sell at public or private sale or otherwise realize upon, in the City of Boston, Massachusetts, or elsewhere, the whole or from time to time any part of the Collateral in or upon which the Agent shall have a security interest or lien hereunder, or any interest which the Borrower may have therein, and after deducting from the proceeds of sale or other disposition of the Collateral all expenses (including all reasonable expenses for legal services, including, without limitation, reasonable allocated costs of staff counsel) as provided in §12, shall apply the residue of such proceeds toward the payment of the Obligations in accordance with §3 of this Security Agreement, the Borrower remaining liable for any deficiency remaining unpaid after such

application. If notice of any sale or other disposition is required by law to be given to the Borrower, the Borrower and the Agent hereby agree that a notice given as hereinbefore provided shall be reasonable notice of such sale or other disposition. The Borrower also agrees to assemble the Collateral at such place or places as the Agent reasonably designates by written notice. At any such sale or other disposition the Agent or any Bank may itself, and any other person or entity owed any Obligation may itself, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of the Borrower, which right is hereby waived and released to the fullest extent permitted by law.

(ii) Furthermore, without limiting the generality of any of the rights and remedies conferred upon the Agent under §8(b)(i) hereof, the Agent to the fullest extent permitted by law, may enter upon the premises of the Borrower, exclude the Borrower therefrom and take immediate possession of the Collateral, either personally or by means of a receiver appointed by a court therefor, using all necessary force to do so, and may, at its option, use, operate, manage and control the Collateral in any lawful manner and may collect and receive all rents, income, revenue, earnings, issues and profits therefrom, and may maintain, repair, renovate, alter or remove the Collateral as the Agent may determine in its discretion, and any such monies so collected or received by the Agent shall be applied to, or may be accumulated for application upon, the Obligations in accordance with §3 of this Agreement.

(iii) The Agent agrees that it will give notice to the Borrower of any enforcement action taken by it pursuant to this §8 promptly after commencing such action.

(iv) The Borrower recognizes that the Agent may be unable to effect a public sale of the securities by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers consistent with all applicable laws. The Borrower agrees that any such private sales may be at prices and other terms less favorable to the Borrower than if sold at public sales and that such private sales shall not by reason thereof be deemed not to have been made in a commercially reasonable manner. The Agent shall be under no obligation to delay a sale of any of the securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act of 1933, as amended, even if the issuer would agree to do so.

§9. MARSHALLING. The Agent shall not be required to marshal any present or future security for (including but not limited to this Agreement and the Collateral subject to the security interest created hereby), or guaranties of, the Obligations or any of them, or to

resort to such security or guaranties in any particular order; and all of its rights hereunder and in respect of such securities and guaranties shall be cumulative and in addition to all other rights, however existing or arising. To the extent it lawfully may, the Borrower hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Agent's rights under this Agreement or under any other instrument evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or guaranteed, and to the extent that it lawfully may do so the Borrower hereby irrevocably waives the benefits of all such laws. Except as otherwise provided by applicable law, the Agent shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the sole custody thereof.

§10. BORROWER'S OBLIGATIONS NOT AFFECTED. To the extent permitted by law, the obligations of the Borrower under this Security Agreement shall remain in full force and effect without regard to, and shall not be impaired by (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Borrower, to the extent permitted by law; (b) any exercise or nonexercise, or any waiver, by the Agent of any right, remedy, power or privilege under or in respect of any of the Obligations or any security therefor (including this Agreement); (c) any amendment to or modification of any instrument evidencing any of the Obligations or pursuant to which any of them were issued; (d) any amendment to or modification of any instrument or agreement (other than this Agreement) securing any of the Obligations; or (e) the taking of additional security for or any guaranty of any of the Obligations or the release or discharge or termination of any security or guaranty for any of the Obligations; and whether or not the Borrower shall have notice or knowledge of any of the foregoing.

§11. NO WAIVER. No failure on the part of the Agent to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Agent of any right, remedy or power hereunder preclude any other or future exercise of any other right, remedy or power. Each and every right, remedy and power hereby granted to the Agent, the Banks or the future holders of any of the Obligations or allowed to any of them by law or other agreement, including, without limitation, each of the Loan Documents, shall be cumulative and not exclusive of any other, and, subject to the provisions of this Agreement, may be exercised by the Agent, the Banks or the future holders of any of the Obligations from time to time.

§12. EXPENSES. The Borrower agrees to pay, on demand, all reasonable costs and expenses (including reasonable attorneys' fees and expenses for legal services of every kind, including, without limitation, reasonable allocated costs of staff counsel) of the Agent incidental to the sale of, or realization upon, any of the Collateral or in any way relating to

the perfection, enforcement or protection of the rights of the Agent hereunder; and the Agent may at any time apply to the payment of all such costs and expenses all monies of the Borrower or other proceeds arising from its possession or disposition of all or any portion of the Collateral.

§13. CONSENTS, AMENDMENTS, WAIVERS. Any term of this Agreement may be amended, and the performance or observance by the Borrower of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only in accordance with Section 11.10 of the Credit Agreement.

§14. GOVERNING LAW. EXCEPT AS OTHERWISE REQUIRED BY THE LAWS OF ANY JURISDICTION IN WHICH ANY COLLATERAL IS LOCATED, THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER SEAL AND SHALL FOR ALL PURPOSES BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.

§15. PARTIES IN INTEREST. All terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto, provided that the Borrower may not assign or transfer its rights hereunder without the prior written consent of the Banks. Any assignment or transfer by the Borrower of its rights hereunder in violation of this Agreement shall be void.

§16. COUNTERPARTS. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

§17. TERMINATION. Upon the indefeasible payment in full in cash of the Obligations in accordance with their terms (other than those covenants and agreements which survive payment in full and termination of the Credit Agreement) and the termination of the Total Commitment, this Agreement shall terminate and the Agent shall return to the Borrower, at the expense of the Borrower, such Collateral in the possession or control of the Agent as has not theretofore been disposed of pursuant to the provisions hereof and shall deliver to the Borrower documents in recordable form sufficient to discharge the liens and security interests granted hereunder. The Agent shall execute and deliver to the Borrower, at the expense of the Borrower, documents in recordable form sufficient to discharge the liens

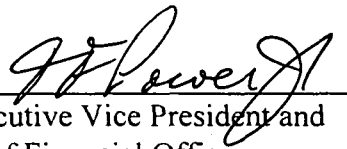
and security interests granted hereunder to the extent applicable to property sold or disposed of by the Borrower in accordance with the terms of the Credit Agreement.

§18. NOTICES. Except as otherwise expressly provided herein, all notices and other communications made or required to be given pursuant to this Agreement shall be made in accordance with the provisions of Section 11.02 of the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as an instrument under seal by their authorized representatives as of the date first written above.

FOX VALLEY & WESTERN LTD.

[Corporate Seal]

By: 
Executive Vice President and
Chief Financial Officer

THE FIRST NATIONAL BANK
OF BOSTON, as Agent

By: _____
Title:

and security interests granted hereunder to the extent applicable to property sold or disposed of by the Borrower in accordance with the terms of the Credit Agreement.

§18. NOTICES. Except as otherwise expressly provided herein, all notices and other communications made or required to be given pursuant to this Agreement shall be made in accordance with the provisions of Section 11.02 of the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as an instrument under seal by their authorized representatives as of the date first written above.

FOX VALLEY & WESTERN LTD.

[Corporate Seal]

By: _____
Executive Vice President and
Chief Financial Officer

THE FIRST NATIONAL BANK
OF BOSTON, as Agent

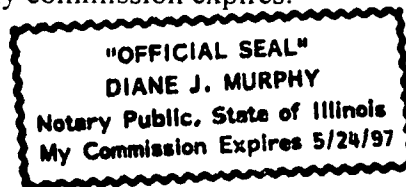
By: Barbara Wilson
Title: Vice President

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 25th day of August, 1993 before me personally appeared Thomas F. Power Jr., to me personally known, who, being by me duly sworn, says that he is the VP & CFO of Fox Valley & Western Ltd., that the seal affixed to the foregoing instrument beside his signature is the corporate seal of said corporation and that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Diane J. Murphy
Notary Public

My commission expires:



COMMONWEALTH OF)
 MASSACHUSETTS) ss.
COUNTY OF *SUFFOLK*)

On this 25th day of August, 1993, before me personally appeared Barbara W. Wilson, to me personally known, who, being by me duly sworn, says that she is a Vice President of The First National Bank of Boston, and that she is duly authorized to sign the foregoing instrument on behalf of said banking association, and she acknowledges that the execution of the foregoing instrument was the free act and deed of said banking association.

Florence Grose
Notary Public

My commission expires:

FLORENCE GROSE

Notary Public

My Commission Expires November 12, 1999

INSTRUCTIONS:

1. PLEASE TYPE this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
3. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8" or 8" x 10". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party. Indicate the number of additional sheets attached.
4. If collateral is crops or goods which are or are to become fixtures, describe generally the real estate and give name of record owner.
5. When a copy of the security agreement is used as a financing statement, it is requested that it be accompanied by a completed but unsigned set of these forms, without extra fee.
6. At the time of original filing, filing officer should return third copy as an acknowledgement. At a later time, secured party may date and sign Termination Legend and use third copy as a Termination Statement.

EXHIBIT AThis **FINANCING STATEMENT** is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3. Maturity date (if any):

1. Debtor(s) (Last Name First) and address(es)

Fox Valley & Western Ltd.
One O'Hare Center
6250 North River Road
9th Floor
Rosemont, IL 60018

2. Secured Party(ies) and address(es)

The First National Bank of
Boston, as Agent
100 Federal Street
Boston, MA 02110

For Filing Officer (Date, Time,
Number, and Filing Office)

4. This financing statement covers the following types (or items) of property:

See Exhibit A attached hereto and made a part hereof.

5. Assignee(s) of Secured Party and
Address(es)

Debtor is a transmitting utility as defined in the UCC.

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check ☒ if so)☐ already subject to a security interest in another jurisdiction when it was brought into this state.☐ which is proceeds of the original collateral described above in which a security interest was perfected:

Filed with:

Wisconsin Secretary of State

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☐ Products of Collateral are also covered. No. of additional Sheets presented: 1

Fox Valley & Western Ltd.

By:

Signature(s) of Debtors)

President

Title

By:

Signature(s) of Secured Party(ies)

Title

(1) Filing Officer Copy-Alphabetical

STANDARD FORM - FORM UCC-1.

(For Use In Most States)

Debtor: Fox Valley & Western Ltd.

Secured Party: The First National Bank of Boston, as Agent.

All properties (other than real properties but including fixtures thereon), assets and rights of the Debtor of every kind and nature, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof, including, without limitation, all goods, accounts, including all accounts receivable, contract rights, all rights of the Debtor under the Asset Purchase Agreement dated as of January 8, 1992 among the Debtor, Wisconsin Central Transportation Corporation and Fox River Valley Railroad Corporation, as the same may be amended and in effect from time to time, all rights of the Debtor under the Asset Purchase Agreement dated as of January 8, 1992 among the Debtor, Green Bay and Western Railroad Company and The Ahnapee & Western Railway Company, as the same may be amended and in effect from time to time, all rights of the Debtor under all trackage rights agreements, joint facility agreements, interchange agreements and other operating agreements, all rights of the Debtor under any agreements with operating railroads pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, rights to the payment of money including tax refund claims, insurance proceeds and tort claims, chattel paper, documents, instruments, general intangibles, the Debtor's operating certificate from the Interstate Commerce Commission, securities, together with all income therefrom, increases thereunder and proceeds thereof, patents, trademarks, tradenames, copyrights, engineering drawings, service marks, customer lists, books and records, furniture, fixtures, including rail and ties, motor vehicles of every kind and description, and all related equipment, parts and accessories with respect thereto (including, without limitation, tires and parts, whether now owned or hereafter acquired), and all substitutions and replacements, rolling stock of every kind and description, locomotives, rail, ties and capital improvements thereon, equipment, maintenance of way equipment, inventory and all other capital assets, raw materials, and work in progress.

STATE OF ILLINOIS
UNIFORM COMMERCIAL CODE - FINANCING STATEMENT - FORM UCC-1

JULIUS BLUMBERG, N.Y.C. 10013

INSTRUCTIONS:

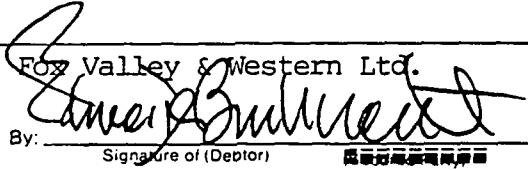
1. PLEASE TYPE this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
3. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8" or 8" x 10". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party.

This STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.		For Filing Officer (Date, Time, Number, and Filing Office)
Debtor(s) (Last Name First) and address(es) Fox Valley & Western Ltd. One O'Hare Center 6250 North River Road 9th Floor Rosemont, IL 60018	Secured Party(ies) and address(es) The First National Bank of Boston, as Agent 100 Federal Street Boston, MA 02110	

1. This financing statement covers the following types (or items) of property:

ASSIGNEE OF SECURED PARTY

See Exhibit A attached hereto and made a part hereof.

2. Proceeds and
☒ Products of Collateral are also covered.
- | | |
|--|--|
| <input checked="" type="checkbox"/> Additional sheets presented. | <div style="text-align: center;">Fox Valley & Western Ltd.

By: _____
Signature of (Debtor)</div> <p style="font-size: small;">* Signature of Debtor Required in Most Cases;
Signature of Secured Party in Cases Covered by UCC §9-402 (2)</p> |
| <input checked="" type="checkbox"/> Filed with Office of Secretary of State of Illinois. | |
| <input checked="" type="checkbox"/> Debtor is a transmitting utility as defined in UCC §9-105. | |

(1) FILING OFFICER COPY - ALPHABETICAL

STANDARD FORM - UNIFORM COMMERCIAL CODE FORM UCC-1 - REV 1975

This form of financing statement is approved by the Illinois Secretary of State.

Debtor: Fox Valley & Western Ltd.

Secured Party: The First National Bank of Boston, as Agent.

All properties (other than real properties but including fixtures thereon), assets and rights of the Debtor of every kind and nature, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof, including, without limitation, all goods, accounts, including all accounts receivable, contract rights, all rights of the Debtor under the Asset Purchase Agreement dated as of January 8, 1992 among the Debtor, Wisconsin Central Transportation Corporation and Fox River Valley Railroad Corporation, as the same may be amended and in effect from time to time, all rights of the Debtor under the Asset Purchase Agreement dated as of January 8, 1992 among the Debtor, Green Bay and Western Railroad Company and The Ahnapee & Western Railway Company, as the same may be amended and in effect from time to time, all rights of the Debtor under all trackage rights agreements, joint facility agreements, interchange agreements and other operating agreements, all rights of the Debtor under any agreements with operating railroads pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, rights to the payment of money including tax refund claims, insurance proceeds and tort claims, chattel paper, documents, instruments, general intangibles, the Debtor's operating certificate from the Interstate Commerce Commission, securities, together with all income therefrom, increases thereunder and proceeds thereof, patents, trademarks, tradenames, copyrights, engineering drawings, service marks, customer lists, books and records, furniture, fixtures, including rail and ties, motor vehicles of every kind and description, and all related equipment, parts and accessories with respect thereto (including, without limitation, tires and parts, whether now owned or hereafter acquired), and all substitutions and replacements, rolling stock of every kind and description, locomotives, rail, ties and capital improvements thereon, equipment, maintenance of way equipment, inventory and all other capital assets, raw materials, and work in progress.

EXHIBIT B

FORM OF CONFIRMATORY ASSIGNMENT OF CONTRACT

This ASSIGNMENT, dated as of _____, is by Fox Valley & Western Ltd. (the "Debtor") in favor of The First National Bank of Boston (the "Agent") as agent for itself, and certain lenders (the "Lenders").

WHEREAS, the Debtor is party to Contract No. _____ dated _____ between the Debtor and _____ (the "Contract"); and

WHEREAS, the Debtor and the Agent have entered into a certain Security Agreement, dated as of [_____] (the "Security Agreement"), pursuant to which the Debtor has granted to the Agent, for the benefit of the Lenders, a security interest in certain assets of the Debtor, including all of the Debtor's rights in and to all money due or to become due under the Contract, to secure the Obligations referred to in the Security Agreement;

NOW, THEREFORE, the Debtor hereby confirms, acknowledges and agrees that, pursuant to and subject to the terms of the Security Agreement, the Debtor hereby assigns, transfers, pledges and grants to the Agent for the benefit of the Lenders a security interest in all of the Debtor's right, title and interest in and to all moneys due or to become due under the Contract.

EXECUTED as of the date first above written.

Attest:

FOX VALLEY & WESTERN LTD.

[Secretary or Assistant
Secretary]

By: _____
Title: _____

[Corporate Seal]

EXHIBIT C

FORM OF
NOTICE OF ASSIGNMENT

The First National Bank of Boston

Date:

To: [Contracting Official or Head of
Agency, Surety on any bond
applicable to the contract
and Disbursing Official]

Re: Payments to:
Contract Number:
Made by the United States of America
Department:
Division:

For:

Dated:

Ladies and Gentlemen:

This has reference to Contract No. ____ dated ____, entered into between Fox Valley & Western Ltd. [address] (the "Contractor") and [government agency, name of office and address], for [describe nature of contract].

Money due or to become due under the contract described above have been assigned to the undersigned under the provisions of the Assignment of Claims Act of 1940, as amended, 31 U.S.C. 3727, 41 U.S.C. 15.

A true copy of the instrument of assignment executed by the Contractor on [date] is attached to the original notice.

Payments due or to become due under this contract should be made to the undersigned assignee.

Please return to the undersigned the three enclosed copies of this notice with appropriate notations showing the date and hour of receipt, and signed by the person who acknowledged receipt on behalf of the addressee.

Very truly yours,

THE FIRST NATIONAL BANK OF BOSTON
as agent for the banks
under that certain
Security Agreement
dated as of August ____, 1993

By: _____
Authorized Official
100 Federal Street
Boston, MA 02110

ACKNOWLEDGMENT

Receipt is acknowledged of the above notice and a copy of the instrument of assignment. These were received at ___ a.m./p.m. on _____, 19__.

Signature

Title:

On Behalf of: [Name and Title of
Addressee of Notice]

**SCHEDULE 1
TO
SECURITY AGREEMENT**

Rolling Stock

OWNED LOCOMOTIVES

FRVR 814
FRVR 815
FRVR 820
FRVR 831
FRVR 832
FRVR 840
FRVR 846
FRVR 1701
FRVR 1702
FRVR 2401
FRVR 2402

FRVR 2500
FRVR 4119
FRVR 4133
FRVR 4146
FRVR 4151
FRVR 4159
FRVR 4304
FRVR 4310
FRVR 4326
FRVR 4329

FRVR 4330
FRVR 4332
FRVR 4501
FRVR 4502
FRVR 4504
FRVR 4505
FRVR 4506
FRVR 4508
FRVR 4510
FRVR 4514

GBW 305
GBW 306
GBW 307
GBW 308
GBW 309
GBW 311
GBW 312
GBW 313
GBW 314
GBW 316
GBW 318

GBW 2400
GBW 2403
GBW 2404
GBW 2405
GBW 2406
GBW 2407

OWNED CABOOSSES

2 yard cabooses

OWNED RAILCARS

GBW 17	GBW 138	GBW 604
GBW 20	GBW 142	GBW 605
GBW 21	GBW 150	GBW 606
GBW 22	GBW 151	GBW 607
GBW 23	GBW 152	GBW 608
GBW 24	GBW 153	GBW 609
GBW 25	GBW 154	GBW 610
GBW 26	GBW 155	GBW 611
GBW 27	GBW 156	GBW 612
GBW 28	GBW 157	GBW 613
GBW 29	GBW 158	GBW 614
GBW 30	GBW 159	GBW 615
GBW 31	GBW 160	GBW 616
GBW 32	GBW 161	GBW 617
GBW 33	GBW 162	GBW 618
GBW 34	GBW 163	GBW 619
GBW 35	GBW 164	GBW 620
GBW 36	GBW 165	GBW 621
GBW 37	GBW 166	GBW 622
GBW 38	GBW 167	GBW 623
GBW 39	GBW 168	GBW 624
GBW 50	GBW 169	GBW 690
GBW 51	GBW 170	GBW 692
GBW 52	GBW 171	GBW 693
GBW 53	GBW 172	GBW 694
GBW 54	GBW 173	GBW 695
GBW 55	GBW 174	GBW 696
GBW 90	GBW 180	GBW 697
GBW 91	GBW 181	GBW 698
GBW 92	GBW 182	GBW 699
GBW 93	GBW 183	GBW 700
GBW 94	GBW 184	GBW 901
GBW 95	GBW 301	GBW 1700
GBW 96	GBW 302	GBW 1701
GBW 97	GBW 303	GBW 1702
GBW 98	GBW 304	GBW 1704
GBW 99	GBW 305	GBW 1705
GBW 130	GBW 306	GBW 1706
GBW 131	GBW 307	GBW 1707
GBW 132	GBW 308	GBW 1708
GBW 133	GBW 309	GBW 1710
GBW 134	GBW 600	GBW 1711
GBW 135	GBW 601	GBW 1712
GBW 136	GBW 602	GBW 1713
GBW 137	GBW 603	GBW 1715

GBW 1716	GBW 4020
GBW 1717	GBW 4021
GBW 1718	GBW 4022
GBW 1719	GBW 4023
GBW 1776	GBW 4024
GBW 2700	GBW 4025
GBW 2701	GBW 4026
GBW 2702	GBW 4027
GBW 2703	GBW 4030
GBW 2704	GBW 4032
GBW 2705	GBW 4033
GBW 2706	GBW 4034
GBW 2707	GBW 4035
GBW 2708	GBW 4036
GBW 2709	GBW 4037
GBW 2710	GBW 4039
GBW 2711	GBW 4040
GBW 2712	GBW 4041
GBW 2713	GBW 4042
GBW 2714	GBW 4043
GBW 2715	GBW 4045
GBW 2716	GBW 4046
GBW 2717	GBW 4047
GBW 2718	GBW 4048
GBW 2719	GBW 22080
GBW 2720	GBW 22081
GBW 2721	GBW 23000
GBW 2722	GBW 23002
GBW 2723	GBW 23003
GBW 2724	GBW 23006
GBW 2725	GBW 23007
GBW 2726	GBW 23008
GBW 2727	GBW 23009
GBW 2728	GBWX 45
GBW 2729	GBWX 129
GBW 4000	GBWX 190
GBW 4001	GBWX 414
GBW 4005	GBWX 415
GBW 4007	
GBW 4008	
GBW 4009	
GBW 4011	
GBW 4012	
GBW 4013	
GBW 4014	
GBW 4017	
GBW 4018	

**SCHEDULE 2
TO
SECURITY AGREEMENT**

**Fox Valley & Western Ltd.
Maintenance of Way Equipment**

See attached.

FRVR TRACK MACHINES

FRMW-01	Swingmaster
FRMW-02	Typhon Snowblower
FRMW-03	Ford Backhoe
FRMW-04	Speedswing 1914
FRMW-05	Safetran Bolt Machine
FRMW-06	Nordberg RailLifter Tamper
FRMW-07	Canron EAS Tamper
FRMW-08	Jackson 925 Tie Insertor
FRMW-09	Case Backhoe
FRMW-10	Canron TorsonBeam Tamper
FRMW-11	Kershaw Ballast Regulator
FRMW-12	Kershaw Bridge Crane
FRMW -14	Little Grant Crane
FRMW-15	Portable Air Compressor Two Anchor Machines
FRMW-16	Portable Air Compressor Jordan Ditcher Cribbing Bucket Rail Cleaning Bucket Milwaukee Hoist CD Rail Drill #7333 CD Rail Drill #7334 Air Compressor VE-7325-13 Harper Spike Driver #37127 (2)

PRVR Rerailing Equipment

- ✓ BERG'S UNIT #25 = 1977 Mack Truck-Tractor Tandem Axle
Conventional Model R-600
300 Series Mack Engine Diesel
6 Speed Lo-Hole Transmission
Engine majored approx: 5,000 miles back
Serial # R686ST12446
- ✓ BERG'S UNIT #26 = 1974 Mack Truck-Tractor Tri-Axle
Conventional Model R700
327 Maxidyne Engine V8 Diesel
5 Speed Main Transmission
Serial # R795ST3138
- ✓ BERG'S UNIT #27 = 1974 Mack Truck-Tractor Tri-Axle
Conventional Model R700
327 Maxidyne Engine V8 Diesel
5 Speed Main Transmission
Serial # R795ST3139
- ✓ BERG'S UNIT #28 = 1974 Mack Truck-Tractor Tri-Axle
Conventional Model R700
327 Maxidyne Engine V8 Diesel
5 Speed Main Transmission
Serial # R795ST3140
- ✓ BERG'S UNIT #37 = 1977 Mack Truck-Tractor Tandem Axle
Conventional Model R600
300 Series Mack Engine Diesel
6 Speed Lo-Hole Transmission
Serial # R686ST11534
- ✓ BERG'S UNIT #BG-2 = 1973 Fruehauf Lo-Boy Tri-Axle
Model C40J-3
Drop-side configuration
Swing-out brackets
Beaver Tail - Long Gooseneck w/fenders
40 Ton rated capacity
Serial # FWR406701
- ✓ BERG'S UNIT #BG-4 = 1973 Fruehauf Lo-Boy Tri-Axle
Model C40j-3
Drop-side configuration
Swing-out brackets
Beaver Tail - Long Gooseneck w/fenders
40 Ton rated capacity
Serial # FWR406703
- ✓ BERG'S UNIT #BG-32 = 1979 Trail King Lo-Boy Tri-Axle
Model 1450-4567
Double drop deck w/beaver tail
Full-width Gooseneck
40 Ton rated capacity
Serial #1275479

- ✓ BERG'S UNIT #BG-10 = 1972 Fruehauf 40' Flat Tandem Axle
Referred to a Fall-off trailer
Hauls booms, counterweights,
derailment supplies and etc.
Serial # FW259703
- ✓ BERG'S UNIT #BG-66 = 1974 Fontaine 40' Drop-deck Tandem Axle
Referred to a Fall-off trailer
Hauls booms, counterweights,
derailment supplies and etc.
Serial # 21213
- ✓ BERG'S UNIT #184 = 1985 Chevrolet Beauville Model
7 Passenger Van, escort vehicle w/rotating
flashing beacon light, oversize load sign,
CB radio, etc. Vehicle used also for
transporting employees to restaurants,
motels and etc.
Serial # 1G8EG25J1F7144405

EXHIBIT B - CRAWLER TRACTORS (BOOM)

- BERG'S UNIT #SB-04 = 1979 Fiat Allis Model PL60 Pipelayer/Side boom
Tractor w/rear mounted lo-speed towing winch
roller fair-leads, 1 1/4" cable w/tail chain
hook, OSHA Rops structure, 4 sheave upper and
lower lifting blocks w/4 way swivel hook
Serial #004278
- BERG'S UNIT #SB-07 = 1979 Fiat Allis Model PL60 Pipelayer/Side boom
Tractor w/rear mounted lo-speed towing winch
roller fair-leads, 1 1/4" cable w/tail chain
hook, OSHA Rops structure, 4 sheave upper and
lower lifting blocks w/4 way swivel hook
Serial #004343
- BERG'S UNIT #SB-10 = 1979 Fiat Allis Model PL60 Pipelayer/Side boom
Tractor w/rear mounted lo-speed towing winch
roller fair-leads, 1 1/4" cable w/tail chain
hook, OSHA Rops structure, 4 sheave upper and
lower lifting blocks w/4 way swivel hook
Serial #004745

EXHIBIT C - CRAWLER TRACTORS (END LOADERS)

- BERG'S UNIT #FL-5 = 1977 IHC Model 250 Super C End Loader
w/grousers, OSHA Rops, 4-in-1 bucket
rear mounted lo-speed towing winch w/
1 1/4" cable, roller fair-leads and
tail chain hook
Serial #4260331V012417

BERG'S UNIT #38-B = 1978 Caterpillar Model 977-L End Loader
w/grousers, OSHA Rops, 4-in-1 bucket
rear mounted lo-speed towing winch w/
1 1/4" cable, roller fair-leads and
tail chain hook
Serial #11K8753

S S W ROADWAY MACHINERY

MACH. NO DESCRIPTION

112 PUSH CAR (SHOP MADE)
 113 PUSH CAR (SHOP MADE)
 115 PUSH CAR FAIRMONT T-1
 116 PUSH CAR FAIRMONT T-1
 118 PUSH CAR FAIRMONT T-1
 135 TRLR CAR FAIRMONT T-1
 136 TRLR CAR FAIRMONT T-1
 137 TRLR CAR FAIRMONT T-1
 141 PUSH CAR FAIRMONT
 142 PUSH CAR FAIRMONT
 145 PUSH CAR FAIRMONT
 154 PUSH CAR FAIRMONT
 155 PUSH CAR FAIRMONT
 157 PUSH CAR FAIRMONT
 165 TRLR CAR FAIRMONT
 171 PUSH CAR FAIRMONT T-1
 176 JOYCE JACK #1235 -35 TON-
 177 JOYCE JACK #1235 -35 TON-
 179 RAIL PULL-EXPAND #550 SIMPLEX
 187 TRLR CAR FAIRMONT
 199 PUSH CAR FAIRMONT T-1
 224 ADZING MACHINE NORDBERG
 226 POWER DRILL NORDBERG MOD. CO
 227 POWER DRILL NORDBERG MOD. CO
 229 PUSH CAR FAIRMONT B
 235 PUSH CAR FAIRMONT B
 242 PUSH CAR FAIRMONT T-6
 243 PUSH CAR FAIRMONT T-6
 244 CHAIN SAW ELECT. NO. 753738
 TIE REMOVERS (2)
 325 PUMP DEMING NO. 4422
 SCAFFOLDING
 342 POWER JACK NORDBERG #2196
 350 RAILSAN RACINE #R-3969
 353 GENERATOR HOMELITE #375945
 358 POWER JACK NORDBERG #2254
 370 SCHRAMM COMPRESSOR #62
 371 RAIL DRILL NORDBERG #2562
 372 RAIL SAW RACINE #R-5394
 374 TIE SPACER NORDBERG #127
 376 TEST SET MODEL 292C
 384 PETITBONE CRANE #1578
 384 PETITBONE CRANE #1578
 391 POWER WRENCH RACO
 394 RAIL SAW RACINE #R-5394

MACH NO DESCRIPTION

484 RAIL SAW RACINE #R7189
 485 SPIKE DRIVER THOR #23581
 486 RAIL DRILL NORDBERG #4036
 411 TRACK MAINTAINER, JACKSON #113635
 412 RAIL SAW RACINE
 413 TRACK DRILL NORDBERG #4298
 427 MIGHTY MOLE DRILL #M-1290
 430 TAMPER VIBRATOOL #4378234
 436 TRACKLINER NORDBERG #848
 441 LINCWELDER #A-770417
 443 RIDING MOWER YAZOO #VR60
 444 MOWER TRLR #YT10HD
 454 PETITBONE CRANE #1821
 462 WELDING UNIT MILW. #247674
 466 SPIKE DRIVER FAIRMONT
 467 AIR COMPRESSOR BINKS #2348427
 488 KRIBBER KERSHAW #16-489
 491 DITCH WITCH #1810
 492 HYDRO-STRESSER #DM9
 497 TRAK SCAN RACINE #910392
 499 SPIKE PULLER GEISMAR #416
 531 BRUSH CUTTER, PETITBONE #A1-4100
 582 JACKSON TAMPER #2400
 584 SPIKE PULLER MODERN #434
 585 TRUCK CRANE LIMO-BELT
 585 PAPT 1- SEE 585
 513 DUAL-TRAK VIBE RACINE #TV-134
 515 CASE BACKHOE #9009017
 517 MAGNET GENERATOR #13972
 520 PETITBONE #2583
 522 TIE MACHINE JACKSON #134738
 523 AIR COMPRESSOR INGERSOLL-RAND
 525 TRACK WRENCH SAFETRAIN #7958-7
 526 PORTABLE SET-OFF
 533 BALLAST REGULATOR KERSHAW
 534 ZAPPER PORTED
 535 TIE SAW KERSHAW #37-529
 540 AIR COMPRESSOR #VE35R
 551 TIE HANDLER
 553 BACKHOE-TIE INSERTER
 557 MILLER WELDER #JF723146
 559 RAIL EXPANDER & PULLER
 559 RAIL DRILL #259
 560 RAIL SAW #11961
 561 AIR COMPRESSOR #86-93-27
 562 AIR COMPRESSOR #86-93-26
 563 RAIL EXPANDER & PULLER
 564 RAIL LUBRICATOR #8922
 565 RAIL LUBRICATOR #8923
 572 GENERATOR #48 TRUCK
 573 BRUSHCUTTER #116419389
 574 BRUSHCUTTER #116419419

MACH NO DESCRIPTION

575 RAIL LUBRICATOR #9527
 576 RAIL LUBRICATOR #9528
 576 SPIKE DRIVER #12193
 579 A Welder (Miller) #JH220942
 580 Taper Mark III
 582 Rail Saw (Racine) #622
 583 6" Grinder Model SL-6
 584 Compressor (Joy) #B5CFM
 585 Air Compressor Model VE-55ABT
 586 Air Hammer (Thor) #13927
 587 Air Hammer (Thor) #14090
 590 Double Rail Lubricator #105331
 591 Single Rail Lubricator #105321
 592 Backhoe (Case) #137893
 593 Grapple Tie Head
 594 Power Track Wrench #8174-7
 595 Rail Grinder-Geismar MC3#10778
 ? Hydra Spiker
 596 BLS Rail Grinder

**SCHEDULE 3
TO
SECURITY AGREEMENT**

**Fox Valley & Western Ltd.
Patents, Trademarks, Copyrights**

None.

**SCHEDULE 4
TO
SECURITY AGREEMENT**

**Fox Valley & Western Ltd.
Collateral Locations**

**Illinois
Wisconsin**